

**House Health & Human Resources Committee Amendment No. 3
As Amended**

AMENDMENT NO. _____

Signature of Sponsor

AMEND Senate Bill No. 2353*

House Bill No. 2976

FILED

Date _____

Time _____

Clerk _____

Comm. Amdt. _____

by deleting in its entirety all the language following the caption, and by substituting instead the following language:

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE;

SECTION 1. Tennessee Code Annotated, Section 68-11-310(a), is amended by deleting the subsection in its entirety, and by substituting instead the following:

(a) All hospitals shall make and submit to the department of health a report annually, which shall include all statistical particulars relative to the patients therein, and all other information specified in this act.

SECTION 2. Tennessee Code Annotated, Section 68-11-310, is amended by adding new, appropriately numbered subsections to read as follows:

() Every hospital as defined in Tennessee Code Annotated, Section 68-11-201, shall include in the report required by subsection (a), a community benefits report which shall include the information called for in this act.

()(1) "Community benefits" are those services provided or supported by a hospital and/or any of its hospital foundations for the purpose of improving or sustaining the mental, social or physical well-being and/or education of the public. Categories of community benefits include: Donations, education-related costs, government-sponsored subsidized health care, research related costs, hospital-subsidized health care and all uncompensated care as defined in Tennessee Code Annotated, Section 68-1-109. Community benefits do not include: advertising, public relations, commercial endorsements, financial

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investment for professional sports and any other activities primarily related to
furthering the business interests of the hospital.

(2) "Donations" means the unreimbursed costs of providing cash and in-kind services and gifts, including facilities, equipment, personnel and programs to public organizations and not-for-profit organizations other than hospital foundations.

(3) "Education-related costs" means the unreimbursed costs to a hospital of providing, funding or otherwise financially supporting educational benefits, services and programs, other than continuing education or other such programs for the hospital's staff, including:

(A) education of physicians, nurses, technicians, allied health professionals and other medical professional and health care providers;

(B) provision of scholarships and funding to medical schools, colleges and universities for physicians, nurses, technicians, allied health professionals and other medical health care providers;

(C) Community health education through informational programs, publications and outreach activities in response to community needs, excluding activities primarily for hospital advertising and public relations.

(4) "Government sponsored subsidized health care" means the cost of providing health care by a hospital after all reimbursement for such care is received, reported separately in the following categories: Medicare, Medicaid,

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TennCare, other federal health care, other state health care, and local health care programs.

(5) "Hospital-subsidized health care costs," means the unreimbursed cost of health care not considered uncompensated care or government subsidized health care that:

(A) is provided by a hospital, in response to community needs for which the reimbursement, excluding any discounts, is less than the hospital's cost for providing the care; and

(B) must be subsidized by other hospital or hospital foundation revenue or resources.

Hospital-subsidized health care may include: trauma services, burn unit services, neonatal intensive care services, organ/tissue transplantation services, health screening services, nutrition services, prevention services and transportation services needed to maintain or improve the health status of persons living in the community served by the hospital.

(6) "Hospital foundation" means any not-for-profit entity that is created and controlled by the reporting hospital to further the charitable purpose of the hospital.

(7) "Reimbursement" means any direct payment of funds made to a hospital in exchange for care or services provided.

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(8) "Research-related costs" means the unreimbursed costs incurred, or unreimbursed expenditures made, for the scholarly or scientific investigation, inquiry or search for knowledge concerning health-related matters.

(9) In determining the amount of "government sponsored subsidized health care", "hospital-subsidized health care," and "uncompensated care," costs shall be equal to the hospital's operating costs divided by the hospital's gross charges (the cost to charge ratio) as reported on the hospital's joint annual report multiplied by the gross charges for government sponsored subsidized health care, hospital-subsidized health care and uncompensated care.

() Hospitals shall include in the community benefits annual report:

(1) An organizational mission statement that identifies the hospital's commitment to serving the health care needs of the community.

(2) Identification of the community needs the hospital has targeted which:

(A) Sets out goals and objectives for providing community benefits;

(B) Measures impact of providing targeted community benefits;
and

(C) Identifies the populations and communities targeted to receive community benefits by the hospital; and

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(3) Disclosure of the amount and types of community benefits actually provided in Tennessee and contiguous communities. Hospitals in the same system or chain shall not duplicate the reporting of community benefits.

() Each hospital shall prepare a notice to the public and post the notice in a prominent place in the hospital that the annual report, containing the community benefits report and other statistical particulars is:

- (1) Public information;
- (2) Filed with the department of health; and
- (3) Available to the public on request from the department of health.

SECTION 3. Each hospital shall cause to be audited the hospital's community benefits report as part of its regular annual financial audit.

SECTION 4. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to that end the provisions of this act are declared to be severable.

SECTION 5. This act shall take effect upon becoming law, the public welfare requiring it.